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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 005219

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SUBJECT: KOMEITO LAWMAKER ANALYZES OZAWA'S STRATEGY, DIET
MECHANICS

Classified By: Charge Joe Donovan, reasons 1.4(b),(d).

¶1. (C) Summary. Ichiro Ozawa may have dealt his own DPJ a lasting body blow, Komeito Lower House Diet member Otohiko Endo told the Embassy on November 8, but his resignation and return have opened the door for policy discussions with the ruling coalition. Endo, a senior member of the Komeito, does not anticipate dissolution of the Lower House and a snap election this year, but is not convinced that Ozawa won't still form a new party by December and attempt to form an expanded coalition with the LDP and Komeito. From Endo's perspective, a grand coalition incorporating the DPJ would only weaken Komeito's prospects in the next election. Despite the controversy over the Prime Minister's two meetings with Ozawa, however, Komeito remains firmly behind Prime Minister Fukuda. With the extension of the Diet session to December 15, Endo is certain the ruling parties can pass new OEF legislation, even if it means exercising the heretofore never used option to override the Upper House. End summary.

Ozawa the Fundamentalist Deals DPJ a Lasting Body Blow

¶2. (C) Embassy Tokyo Political Minister Counselor Meserve met with junior coalition partner Komeito senior lawmaker Otohiko Endo on November 8 to discuss recent political developments. Endo, a five-term Lower House Diet member representing the North Kanto proportional voting bloc, noted that he was quite familiar with main opposition Democratic Party of Japan (DPJ) leader Ichiro Ozawa, having worked closely with him when both were with the New Frontier Party (NFP) in the mid-1990s. Viewed through the lens of Ozawa's personality, he said, Ozawa had successfully preserved his options by declaring and then withdrawing his resignation from the DPJ. At this point, he could either remain as leader of the DPJ, or form a new party and go into coalition with the ruling Liberal Democratic Party (LDP)-Komeito coalition.

¶3. (C) Endo did not make any prediction as to whether Ozawa would actually leave the DPJ, but thought he would probably make a decision in December, the deadline for political parties to submit lists of members and claim eligibility for public funding. Endo noted that Ozawa had dissolved both the

NFP and Jiyuto in the month of December, in part to qualify for government subsidies that would otherwise not have been available until the following year. Endo, laughing, said Ozawa has a genius for calculating financial gain. He estimated that Ozawa already has 2.5 billion yen in political funds. He believes Ozawa is currently pondering how to maximize his influence, while protecting his interests.

¶4. (C) Endo described Ozawa as a "fundamentalist," and explained the opposition leader's political principles as follows. For Ozawa, politics is all about power and logic, not warm human relations. Rather than being inclusive, in order to maximize support, Ozawa completely and forever excludes those who have opposed him even once. Ozawa's preference is for "surprise attacks," as opposed to a "regular siege." While successful political strategists usually try to alternate between well-planned "sieges" and "surprise attacks," Ozawa's reliance on repeated surprise attacks to make up for ill-planned sieges upsets his strategic balance, Endo explained.

¶5. (C) Ozawa's guiding principles are evident in his recent behavior, Endo continued. Ozawa grew angry and offered to resign from the DPJ when fellow party members rejected his proposal to enter into a grand coalition with the LDP, a response that he obviously had not expected. When he met with this unanticipated opposition after not laying the groundwork within his own party before the second meeting with the Prime Minister -- what Endo defined as a "regular siege" -- Ozawa opted for the "surprise attack" of announcing his sudden resignation as party leader.

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¶6. (C) Noting the mix of ideologies among its members, Endo described the DPJ as less a political party than an "election mutual assistance group." He described the political confusion caused by Ozawa this time as a "body blow of lasting effect" to the DPJ.

But Opens the Door to Policy Discussions

¶7. (C) Policy consultations between the ruling coalition and the DPJ on individual issues are a much more realistic option than a grand coalition, Endo noted, at least in the current deadlocked Diet session. Taking the current situation as an opportunity, he added, the coalition and the opposition should hold open and frank discussions on issues such as OEF refueling, the pension system, and tax reform.

Grand Coalition a Bad Deal for Komeito

¶8. (C) Komeito, as a party, does not have a position on the grand coalition idea, Endo said, but he does not consider a grand coalition to be very beneficial for the Komeito, absent some possibility of reverting to some sort of multiple-seat electoral district system. Formation of a grand coalition under the current electoral system would require a system for coordinating who runs in which electoral district.

OEF Bill Likely to Pass; Override an Option

¶9. (C) Endo was certain new legislation to authorize Self-Defense Forces (SDF) refueling efforts in support of Operation Enduring Freedom (OEF) would pass the Lower House, but could not predict what will happen in the Upper House. He hoped the Upper House would begin discussing the bill by the time Prime Minister Fukuda returns from his trip to the United States. The current Diet session, Endo confirmed, is to be extended until December 15, the longest they could go without cutting into the budget compilation process. The ruling parties are hoping that the extension will give the DPJ sufficient time to discuss the bill in the Upper House,

although he expects the DPJ to swiftly reject it.

¶10. (C) If that happens, Endo believes, the ruling coalition will likely use their two-thirds majority in the Lower House to override the Upper House rejection of the bill and pass it into law. If the ruling parties decide against exercising the override option, it will only be because they fear that a censure motion by the opposition parties in the Upper House could lead to dissolution of the Lower House. The ruling parties are still discussing the risks associated with the override vote, Endo noted, but he is convinced that it is in Japan's national interest to pass the OEF bill. He worries, however, that the recent string of defense-related scandals are damaging public support for the refueling mission.

No Lower House Dissolution Anytime Soon

¶11. (C) Despite the current political chaos, Endo does not believe the Lower House will be dissolved at this time, regardless of what happens with the OEF legislation. With the ruling coalition already certain to lose seats in the Lower House even prior to recent events, it makes no sense for Prime Minister Fukuda to call an election when things are so unstable and give up the two-thirds majority it currently enjoys.

Komeito Puts Faith in Fukuda

¶12. (C) Prime Minister Fukuda is highly regarded by Komeito, Endo asserted. Quoting a Japanese proverb, "soft and fair go far," he stated his opinion that Fukuda will be able to maintain strong leadership, while steadily getting the LDP

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"back into shape." "Even if Fukuda is flying low now," he added, "in the end he will end up flying high."

DONOVAN